

LABOR CATEGORIES AND RATES

B.1 Discounts

Labor rates included in the IBM GSA IT Schedule are discounted by 10% under this BPA. This represents the minimum discount that will be applied at the task order level. Higher discounts may apply based on business volumes as shown below.

Minimum Discount	10.0%	10.0%	10.0%	10.0%	10.0%
Annual Cumulative Business Volumes	\$50,000,000	\$100,000,000	\$150,000,000	\$200,000,000	\$250,000,000
Business Volume Discount	2.0%	4.0%	6.0%	8.0%	10.0%
Total Discount	12.0%	14.0%	16.0%	18.0%	20.0%

Additional discounts go into effect when stated business volumes are achieved and are not retroactive. The "Total Discount" percentage includes the base 10% discount. Discounts become effective when the cumulative funds that have been paid to IBM are in excess of the business volume clip level at the time that the task order is definitized. Discounts are forward looking only and are not applied to any other tasks currently being performed or to any tasks that have already been completed.

B.2 GSA Labor Categories and Discounted Rates

All labor categories/rates on IBM's GSA Schedule are available under this BPA with the minimum 10% discount. Additional discounts may apply as addressed in Paragraph 1 above. Labor category definitions and skill level descriptions are included in the IBM GSA Schedule. Labor rates, inclusive of discounts and fees, are listed below:

IBM GSA Schedule GS-35F-4984H

GSA Experience Level	Discounted FY04 GSA Rate
A'	\$ 295.20
A	\$ 240.30
B	\$ 218.70
C	\$ 199.80
D	\$ 175.50
E	\$ 154.80
F	\$ 146.70
G	\$ 135.90
H	\$ 119.70
I	\$ 97.20
J	\$ 78.30
K	\$ 52.20
L	\$ 31.50

B.3 Out Year Rates

Future GSA labor rates can be affected by economic price adjustments. Such adjustments, if approved by GSA, may be reflected in the BPA schedule at the same level of discount as specified in this attachment.

B.4 GSA Schedule

IBM's GSA Schedule GS-35F-4984H may be viewed at:

<http://www-1.ibm.com/gold/portal/servlet/gold/gsa/Welcome>